

# The Status of DCMA's Realignment

by Ms. Katherine Crawford, Staff Writer

Over the next eight months, the Defense Contract Management Agency's (DCMA's) two geographical Districts in the continental U.S. (CONUS) — East and West — will be transformed into four product-oriented divisions: Aeronautical Systems, Naval Sea Systems, Space & Missile Systems and Ground Systems & Munitions, with stand up scheduled for July 2006. The other two Districts, International and Special Programs, will remain unchanged except for their names, which will be changed to conform with the Division naming convention. These two Districts must operate separately due to international laws and host-country agreements for the former and the special access program support of the latter. According to Mr. Dave Hough, director, Plans and Policy Division, DCMA Headquarters, "In the past, for

example, you could have representatives from Special Programs and one of the two CONUS Districts working in the same plant, and they wouldn't even know it. In the future there will be more coordination of efforts to ensure one face to the customer."

## Realignment Status — Phase II

The realignment is entering Phase II, which will take approximately eight months to complete. "During Phase II, the CMOs [contract management offices] will be realigned and placed into the four new divisions. The new divisions will be made fully functional as will two new offices, the Program Integration Office for Future Combat Systems in St. Louis and the Navy Special

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(Above) Mr. Dave Hough, Plans and Policy Division director, DCMA Headquarters, is helping to shape DCMA's realignment. (DCMA staff photo)

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Emphasis Operations in Philadelphia,” said Mr. Hough, who is spearheading the reorganization initiative. He admitted that Phase II will be the biggest change since DCMA became a separate agency and that the two largest and most important projects are the realignment of personnel and the change of the contract administration directory. Every organization in DCMA has to be moved into one of the four product divisions. Consequently, all personnel and payroll systems must be reorganized and contracts realigned. “For personnel, we use a checklist to determine where everyone is currently and where they’re going to be at a new organization,” Mr. Hough explained. “We provide the information to CHRA [Army’s Civilian Human Resources Agency, DCMA’s new HR service provider], which builds it into tables to enter into DCPDS [Defense Civilian Personnel Data System]. At the same time, the Financial Liaison offices are working with DFAS [Defense Finance and Accounting Service] to build the tables in payroll so that everyone gets paid correctly.” The contract administration directory also has to be changed to ensure that contracts flow into the correct CMO. To facilitate all of these changes, an entire integrated product team (IPT) has been established to examine and resolve issues related to personnel, pay, Mechanization of Contract Administration Services (MOCAS), Information Technology and various other systems.

### **Benefits for Customers and Employees**

The Agency’s realignment is being guided by the lessons learned from the reorganization of Aircraft Integrated Maintenance Operations (AIMO), formerly Southeast Aircraft Operations,

Aircraft Propulsion Operations and NASA Product Operations, all of which were modified to focus professional skill sets. “DCMA worked for several years to develop a customer-centered culture, but everything remained pretty much status quo until the stand up of these three organizations,” noted Mr. Hough. AIMO was designed specifically to address concerns of aircraft aging, overhaul and modifications, with work overseen by dedicated aviation personnel and a commander who would understand the business and be able to focus on a single customer. Any customer, “whether from the Army, Navy or Air Force, who has a question about aging aircraft, aircraft engines or auxiliary power units can go to one person, the commander of that organization, and voice concerns,” Mr. Hough said. “This new model also allows commanders to focus. If they’re in aviation, for example, they’re not worried about stretching their resources between, say, textiles and boots and airplanes — they’re going to be just primarily airplanes.” Aircraft Propulsion Operations works in the same type of format, and both organizations have proved extremely successful at efficiently serving customers, some of whom wanted to know why DCMA didn’t have more such groups.

This positive reaction led Air Force Maj. Gen. Darryl A. Scott, DCMA director, to charter six different IPTs to examine the Agency’s relationship with customers and determine whether there was a better way to meet their needs. The IPTs recommended that DCMA consider aligning divisions along product lines or commodities, and the outcome is Phase II.

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The product-aligned divisions provide a single, focused point of service for the customers. “[Customers] don’t have to search for who’s in charge or which button to push to get action on their concerns,” said Mr. Hough. “This is great for the military service PEOs [program executive officers] because rather than going to East for one program and West for another, they go to one [senior executive].” He added, “By being aligned directly with the customer and truly having one face to them, we can better meet their expectations.”

The increased focus is also beneficial to DCMA employees, particularly those with specialized knowledge, because ideas can be shared across organizations much more quickly. “For example, if you were at DCMA Poughkeepsie and I was at DCMA Kokomo and you saw a problem coming up with third-stage blades on an engine, you could enter it into or call it up on the Knowledge Management Blackboard,” Mr. Hough said. Such open communication between professionals in similar subject areas results in the rapid dissemination of lessons learned throughout the organization. “The information flow will be tremendously accelerated,” elaborated Mr. Hough, “and hopefully that will make for an easier transition to performance-based measurements and performance outcomes at the CMOs.”

### Effects of Realignment on Daily Operations

In terms of day-to-day operations, Mr. Hough anticipates that the realignment will have a minimal impact on most DCMA employees, with few, if any, significant changes in their work environments. Those at DCMA’s centers will fit into the new divisions in much the same way they fit into the geographical regions at present, supporting operations by providing expertise on contracts, property, accounting, etc., just as they do now. “What employees are going to see

is more information flow than in the past and more people showing concern for what they do and helping them gain new skills,” predicted Mr. Hough. The new divisions will allow for more focused training in various skill areas, especially for the 1910-series employees.

Primarily as a result of lessons learned from AIMO, Aircraft Propulsions and NASA Product Operations, DCMA’s senior leaders have come to realize the importance of providing better training for CMO employees and are now anticipating skills that will be needed five years from now. As Mr. Hough explained, “Rather than saying, ‘Oh my gosh, the contractor has started working this new composite, and we’ve never heard of it before — quick, we’ve got to get somebody up to speed,’ we’ll be able to more quickly anticipate changes such as this.” With everyone in an organization focused on a particular commodity area as his or her primary business, professional development will be more effective and the level of collective knowledge higher, making more advanced training possible.

### Conclusion

When speaking about the realignment, Maj. Gen. Scott consistently reinforces the idea that this is not simply realignment for the sake of reorganizing. The objective is for DCMA to provide better service to its customers by streamlining operations and increasing efficiency to anticipate and respond more quickly. The difference, according to Mr. Hough, will be “the synergy of everybody working together and focusing on a single product. ... It all goes back to that saying, ‘If you don’t change the way you do things, you can’t expect the outcome to change.’”

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